

21 July 1948

MEMORANDUM FOR: Messrs. Allen W. Dulles
Mathias F. Correa
William H. Jackson

SUBJECT: Hanson Baldwin's Article on "Intelligence--I",
New York Times, 20 July 1948

1. You may be interested in my attached memorandum, which very briefly comments on the accuracy of the statements made in Hanson Baldwin's first article on intelligence, which appeared in the New York Times on 20 July 1948.

2. Although I have not yet heard any direct repercussions of this article, I am afraid that it can only cause harm to the Survey Group. Because of Hanson Baldwin's membership on the Eberstadt Committee, which is looking into the national security organization, including CIA, I think we may have to reconsider our present policy of allowing Bross and Southerland, who are working for the Eberstadt Committee, to see some of our materials. Otherwise, there might always be the danger that leaks, alleged or real, would be attributed to us, and we might be charged (rightly or wrongly) with using the press to support our work. I know that the desirability of Baldwin's membership on the Eberstadt Committee has already been questioned in the Military Establishment because of an article by him which appeared in Armed Force some weeks ago and allegedly reflected some of the current matters before the Committee.

Robert Blum
Robert Blum

Enclosure - 1

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MEMORANDUM

SUBJECT: Hanson Baldwin's Article on "Intelligence—I", New York Times,
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1. Following are comments, point by point, on the first article in the series which, according to Baldwin, results from "a careful survey of our intelligence activities".

- a. Inter-agency friction.
Comment: Correct.
- b. Duplication, overlapping, and empire building.
Comment: Probably correct.
- c. Second-rate personnel.
Comment: Probably correct.
- d. Depreciation in quantity and quality of intelligence as compared to war years.
Comment: This statement would be difficult to support, in view of the marked difference between wartime and peacetime conditions.
- e. Fragmentary and conflicting estimates.
Comment: This is only partly true, and in the case of atomic energy, scarcity of information may not be the result of our intelligence weakness.
- f. Reference to several intelligence fiascos climaxed by Bogota.
Comment: Every failure accurately to predict an event cannot be called a fiasco and, in particular, to call the Bogota affair a fiasco is an exaggeration and misinterpretation.
- g. Changes in CIA as a result of the Survey.
Comment: Contrary to Baldwin's statement, there have been no changes in CIA as a result of the survey.
- h. Reorganization of OCD.
Comment: This had nothing to do with the Survey. Last fall the Executive for Inspection and Security, CIA, made a detailed survey of OCD and the changes made this year [redacted] were the direct result of that internal CIA survey.

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1. Changes in administration and management. Comment:
The only change made here has been the transfer of the reference center to the new Office of Collection and Dissemination. This had nothing to do with the Survey.

2. The conclusion from the above analysis is that Baldwin's facts are inaccurate ^{some of} and his interpretations misleading. By putting the Survey Group in the front of his campaign to improve intelligence and by attributing to the Survey Group an influence which it has not had, Baldwin will probably have added considerable fuel to the fire of CIA's resentment against the Survey Group.

Robert Blum

RB:cc

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THE NEW YORK TIMES, TUESDAY, JULY 20, 1948

Intelligence—I

One of Weakest Links in Our Security, Survey Shows— Omissions, Duplications

By HANSON W. BALDWIN

America's first line of defense in the atomic age—the National Security Intelligence Service—is today one of the weakest links in our national security.

This is the conclusion of a survey by a prominent correspondent after a careful but not exhaustive study of the inter-relationship of the various intelligence agencies, and it is a conclusion with which most of our intelligence authorities emphatically agree.

The evidences are legion. Criticism has been pronounced between various intelligence agencies of Government—most notably between the new post-war Central Intelligence Agency and the State Department, between the CIA (Central Intelligence Agency) and the Federal Bureau of Investigation, and between the CIA and the Atomic Energy Commission.

There is unnecessary duplication and overlapping; at the same time, there are serious omissions of intelligence, and there is considerable expensive "empire-building." Worst of all, many of the personnel being utilized to evaluate intelligence reports are definitely second-rate, able to earn more money in Washington in Federal employment than they could earn on college campuses or in other civilian occupations.

Know Little of Soviet Strength

The result today is a marked depreciation in the quantity and quality of our intelligence as compared to the war years. Our knowledge of Russian strength is admittedly fragmentary, and many of the estimates by different Government agencies are conflicting—so widely divergent in some cases that they are impossible to reconcile. Our information about Russian atomic energy activities is notable for its scarcity.

These facts, a growing sense of frustration and discouragement among some intelligence personnel, which has led to the resignations from CIA and Army G-2 of some of the best civilian personnel, and several intelligence fiascos since the war, climaxed by Bogota, have brought about an investigative survey of the whole intelligence structure of Government, it was learned.

Allen W. Dulles, who occupied a prominent role in Switzerland with the Office of Strategic Services during the war; William H. Jackson, New York lawyer and wartime intelligence officer; and Mathias F. Correa, former OSS official, have been surveying our intelligence structure and operations at the request of the White House. Secretary of Defense For-

The survey, a continuing one, which will end with a report by next January, is starting not only the Central Intelligence Agency, but also the inter-relationship of the agency with the intelligence offices of the State, Army, Air Force, and Navy Departments and the FBI. As a result of the study, some changes already have been made, and others perhaps of a sweeping nature are predicted. Considerable shifts of personnel, particularly in the Central Intelligence Agency, have occurred, or are occurring, although some of them predicted the Dulles commission's appointment.

Changes Going On in CIA

Apparently as a direct result of the Dulles inquiry some strange "fixings" have been going on in the Central Intelligence Agency. Last year, coincident with the transfer of its director, the office of collection and dissemination, one of six principal offices in the agency, was abolished. Today it has been re-created under another head and is bigger than ever.

After the Dulles survey started, a considerable section of the office of administration and management, a long-since argued over, staffed office which was supposed to shuffle paper work for the benefit of the operating forces but had become in some ways the tail that wagged the dog, was seemingly "eliminated." But the elimination, it has now developed, merely involved the paper shift of a large number of personnel to the newly reconstituted office of collection and dissemination, with no net reduction in employees.

At the same time some of those in the intelligence picture, particularly a few "empire builders" in the CIA, who were being studied with particular interest by the Dulles commission—have apparently started an attempted "backfire" against the Dulles group in an attempt to discredit it.

Mr. Dulles' survey, in other words, already has struck sparks, but if it is to achieve its purpose, it must inevitably lead, in the opinion of those who have studied our intelligence agencies closely—to major personnel changes in our intelligence agencies, to some re-organizational and perhaps functional modifications, and to insistence upon better cooperation between the various intelligence agencies.

(This is the first of a series of articles.)

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